

## Department of Energy

## § 300.2

Climate VISION programs to reduce its entity-wide emissions relative to a base period that ends earlier 2002, but no earlier than 2000.

(2) A large emitter must submit an entity-wide emission inventory that meets or exceeds the minimum quality requirements specified in §300.6(b) and the Technical Guidelines (incorporated by reference, see §300.13). Registered reductions of a large emitter must be based on an entity-wide assessment of net emission reductions, determined in accordance with §300.8 and the Technical Guidelines.

(3) A small emitter must also submit an emission inventory that meets minimum quality requirements specified in §300.6(b) and the Technical Guidelines (incorporated by reference, see §300.13) and base its registered reductions on an assessment of annual changes in net emissions. A small emitter, however, may restrict its inventory and assessment to a single type of activity, such as forest management, building operations or agricultural tillage.

(4) Reporting entities may, under certain conditions, register reductions achieved by other entities:

(i) Reporting entities that have met the requirements for registering their own reductions may also register offset reductions achieved by other entities if:

(A) They have an agreement with the third-party entities to do so and these third-party entities have met all of the requirements for registration; or

(B) They were the result of qualified demand management or other programs and are calculated in accordance with the action-specific method identified in §300.8(h)(5).

(ii) Small emitters that serve as an aggregator may register offset reductions achieved by non-reporting entities without reporting on their own emissions, as long as they have an agreement with the third-party entities to do so and these third-party entities have met all of the requirements for registration.

(d) *Forms.* Annual reports of greenhouse gas emissions, emission reductions, and sequestration must be made on forms or software made available by the Energy Information Administra-

tion of the Department of Energy (EIA).

(e) *Status of reports under previous guidelines.* EIA continues to maintain in its Voluntary Reporting of Greenhouse Gases database all reports received pursuant to DOE's October 1994 guidelines. Those guidelines are available from EIA at <http://www.eia.doe.gov/oiaf/1605/guidelns.html>.

(f) *Periodic review and updating of General and Technical Guidelines.* DOE intends periodically to review the General Guidelines and the Technical Guidelines (incorporated by reference, see §300.13) to determine whether any changes are warranted; DOE anticipates these reviews will occur approximately once every three years. These reviews will consider any new developments in climate science or policy, the participation rates of large and small emitters in the 1605(b) program, the general quality of the data submitted by different participants, and any changes to other emissions reporting protocols. Possible changes may include, but are not limited to:

(1) The addition of greenhouse gases that have been demonstrated to have significant, quantifiable climate forcing effects when released to the atmosphere in significant quantities;

(2) Changes to the minimum, quantity-weighted quality rating for emission inventories;

(3) Updates to emission inventory methods, emission factors and other provisions that are contained in industry protocols or standards. The review may also consider updates to any government-developed and consensus-based emission factors for which automatic updating is not provided in the Technical Guidelines;

(4) Modifications to the benchmarks or emission conversion factors used to calculate avoided and indirect emissions; and

(5) Changes in the minimum requirements for registered emission reductions.

### § 300.2 Definitions.

This section provides definitions for commonly used terms in this part.

*Activity of a small emitter* means, with respect to a small emitter, any single category of anthropogenic production,

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consumption or other action that releases emissions or results in sequestration, the annual changes of which can be assessed generally by using a single calculation method.

*Aggregator* means an entity that reports to the 1605(b) program on behalf of non-reporting entities. An aggregator may be a large or small emitter, such as a trade association, non-profit organization or public agency.

*Anthropogenic* means greenhouse gas emissions and removals that are a direct result of human activities or are the result of natural processes that have been affected by human activities.

*Avoided emissions* means the greenhouse gas emission reductions that occur outside the organizational boundary of the reporting entity as a direct consequence of changes in the entity's activity, including but not necessarily limited to the emission reductions associated with increases in the generation and sale of electricity, steam, hot water or chilled water produced from energy sources that emit fewer greenhouse gases per unit than other competing sources of these forms of distributed energy.

*Base period* means a period of 1–4 years used to derive the average annual base emissions, emissions intensity or other values from which emission reductions are calculated.

*Base value* means the value from which emission reductions are calculated for an entity or subentity. The value may be annual emissions, emissions intensity, kilowatt-hours generated, or other value specified in the 1605(b) guidelines. It is usually derived from actual emissions and/or activity data derived from the base period.

*Biogenic emissions* mean emissions that are naturally occurring and are not significantly affected by human actions or activity.

*Boundary* means the actual or virtual line that encompasses all the emissions and carbon stocks that are to be quantified and reported in an entity's greenhouse gas inventory, including *de minimis* emissions. Entities may use financial control or another classification method based on ownership or control as the means of determining which

sources or carbon stocks fall within this organizational boundary.

*Carbon dioxide equivalent* means the amount of carbon dioxide by weight emitted into the atmosphere that would produce the same estimated radiative forcing as a given weight of another radiatively active gas. Carbon dioxide equivalents are computed by multiplying the weight of the gas being measured by its estimated global warming potential.

*Carbon stocks* mean the quantity of carbon stored in biological and physical systems including: trees, products of harvested trees, agricultural crops, plants, wood and paper products and other terrestrial biosphere sinks, soils, oceans, and sedimentary and geological sinks.

*Climate Leaders* means the EPA sponsored industry-government partnership that works with individual companies to develop long-term comprehensive climate change strategies. Certain Climate Leaders Partners have, working with EPA, set a corporate-wide greenhouse gas reduction goal and have inventoried their emissions to measure progress towards their goal.

*Climate VISION* means the public-private partnership initiated pursuant to a Presidential directive issued in 2002 that aims to contribute to the President's goal of reducing greenhouse gas intensity through voluntary frameworks with industry. Climate VISION partners have signed an agreement with DOE to implement various climate-related actions to reduce greenhouse gas emissions.

*De minimis emissions* means emissions from one or more sources and of one or more greenhouse gases that, in aggregate, are less than or equal to 3 percent of the total annual carbon dioxide (CO<sub>2</sub>) equivalent emissions of a reporting entity.

*Department* or *DOE* means the U.S. Department of Energy.

*Direct emissions* are emissions from sources within the organizational boundaries of an entity.

*Distributed energy* means electrical or thermal energy generated by an entity that is sold or otherwise exported outside of the entity's boundaries for use by another entity.

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*EIA* means the Energy Information Administration within the U.S. Department of Energy.

*Emissions* means the direct release of greenhouse gases to the atmosphere from any anthropogenic (human induced) source and certain indirect emissions (releases) specified in this part.

*Emissions intensity* means emissions per unit of output, where output is defined as the quantity of physical output, or a non-physical indicator of an entity's or subentity's productive activity.

*Entity* means the whole or part of any business, institution, organization, government agency or corporation, or household that:

- (1) Is recognized under any U.S. Federal, State or local law that applies to it;
- (2) Is located and operates, at least in part, in the United States; and
- (3) The emissions of such operations are released, at least in part, in the United States.

*First reduction year* means the first year for which an entity intends to register emission reductions; it is the year that immediately follows the start year.

*Fugitive emissions* means uncontrolled releases to the atmosphere of greenhouse gases from the processing, transmission, and/or transportation of fossil fuels or other materials, such as HFC leaks from refrigeration, SF<sub>6</sub> from electrical power distributors, and methane from solid waste landfills, among others, that are not emitted via an exhaust pipe(s) or stack(s).

*Greenhouse gases* means the gases that may be reported to the Department of Energy under this program. They are:

- (1) Carbon dioxide (CO<sub>2</sub>)
- (2) Methane (CH<sub>4</sub>)
- (3) Nitrous oxide (N<sub>2</sub>O)
- (4) Hydrofluorocarbons HFC-23 [trifluoromethane-(CHF<sub>3</sub>)], HFC-32 [trifluoromethane-CH<sub>2</sub>F<sub>2</sub>], CH<sub>2</sub>CF<sub>3</sub>, CH<sub>3</sub>F, CHF<sub>2</sub>CF<sub>3</sub>, CH<sub>2</sub>FCF<sub>3</sub>, CH<sub>3</sub>FCF<sub>3</sub>, CHF<sub>2</sub>CH<sub>2</sub>F, CF<sub>3</sub>CH<sub>3</sub>, CH<sub>2</sub>FCH<sub>2</sub>F, CH<sub>3</sub>CHF<sub>2</sub>, CH<sub>3</sub>CH<sub>2</sub>F, CF<sub>3</sub>CHF<sub>2</sub>CF<sub>3</sub>, CH<sub>2</sub>FCF<sub>2</sub>CF<sub>3</sub>, CHF<sub>2</sub>CHF<sub>2</sub>CF<sub>3</sub>, CF<sub>3</sub>CH<sub>2</sub>CF<sub>3</sub>, CH<sub>2</sub>FCF<sub>2</sub>CHF<sub>2</sub>, CHF<sub>2</sub>CH<sub>2</sub>CF<sub>3</sub>, CF<sub>3</sub>CH<sub>2</sub>CF<sub>2</sub>CH<sub>3</sub>, CH<sub>3</sub>CHF<sub>2</sub>CHF<sub>2</sub>

(5) Perfluorocarbons (perfluoromethane-CF<sub>4</sub>, perfluoroethane-C<sub>2</sub>F<sub>6</sub>, C<sub>3</sub>F<sub>8</sub>, C<sub>4</sub>F<sub>10</sub>, C<sub>4</sub>F<sub>8</sub>, C<sub>5</sub>F<sub>12</sub>, C<sub>6</sub>F<sub>14</sub>)

(6) Sulfur hexafluoride (SF<sub>6</sub>)

(7) Chlorofluorocarbons (CFC-11 [trichlorofluoromethane-CCl<sub>3</sub>F], CCl<sub>2</sub>F<sub>2</sub>, CClF<sub>3</sub>, CCl<sub>2</sub>FCClF<sub>2</sub>, CClF<sub>2</sub>CClF<sub>2</sub>, ClF<sub>3</sub>CClF<sub>2</sub>.)

(8) Other gases or particles that have been demonstrated to have significant, quantifiable climate forcing effects when released to the atmosphere in significant quantities and for which DOE has established or approved methods for estimating emissions and reductions. (NOTE: As provided in § 300.6(i), chlorofluorocarbons and other gases with quantifiable climate forcing effects may be reported to the 1605(b) program if DOE has established an appropriate emission inventory or emission reduction calculation method, but reductions of these gases may not be registered.)

*Incidental lands* are entity landholdings that are a minor component of an entity's operations and are not actively managed for production of goods and services, including:

- (1) Transmission, pipeline, or transportation right of ways that are not managed for timber production;
- (2) Land surrounding commercial enterprises or facilities; and
- (3) Land where carbon stock changes are determined by natural factors.

*Indirect emissions* means greenhouse gas emissions from stationary or mobile sources outside the organizational boundary that occur as a direct consequence of an entity's activity, including but not necessarily limited to the emissions associated with the generation of electricity, steam and hot/chilled water used by the entity.

*Large emitter* means an entity whose annual emissions are more than 10,000 metric tons of CO<sub>2</sub> equivalent, as determined in accordance with § 300.5(c).

*Net emission reductions* means the sum of all annual changes in emissions, eligible avoided emissions and sequestration of the greenhouse gases specifically identified in § 300.6(i), and determined to be in conformance with §§ 300.7 and 300.8 of this part.

*Offset* means an emission reduction that is included in a 1605(b) report and

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meets the requirements of this part, but is achieved by an entity other than the reporting entity. Offset reductions must not be reported or registered by any other entity and must appear as a separate and distinct component of an entity's report. Offsets are not integrated into the reporting entity's emissions or net emission reductions.

*Registration* means the reporting of emission reductions that the EIA has determined meet the qualifications for registered emission reductions set forth in the guidelines.

*Reporting entity* means an entity that has submitted a report under the 1605(b) program that has been accepted by the Energy Information Administration.

*Reporting year* means the year that is the subject of a report to DOE.

*Sequestration* means the process by which CO<sub>2</sub> is removed from the atmosphere, either through biologic processes or physical processes.

*Simplified Emission Inventory Tool (SEIT)* is a computer-based method, to be developed and made readily accessible by EIA, for translating common physical indicators into an estimate of greenhouse gas emissions.

*Sink* means an identifiable discrete location, set of locations, or area in which CO<sub>2</sub> or some other greenhouse gas is sequestered.

*Small emitter* means an entity whose annual emissions are less than or equal to 10,000 metric tons of CO<sub>2</sub> equivalent, as determined in accordance with § 300.5(c), and that chooses to be treated as a small emitter under the guidelines.

*Source* means any land, facility, process, vehicle or activity that releases a greenhouse gas.

*Start year* means the year upon which the initial entity statement is based and the last year of the initial base period(s).

*Subentity* means a component of any entity, such as a discrete business line, facility, plant, vehicle fleet, or energy using system, which has associated with it emissions of greenhouse gases that can be distinguished from the emissions of all other components of the same entity and, when summed with the emissions of all other subentities, equal the entity's total emissions.

*Total emissions* means the total annual contribution of the greenhouse gases (as defined in this section) to the atmosphere by an entity, including both direct and indirect entity-wide emissions.

*United States* or *U.S.* means the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Guam, American Samoa, and any other territory of the United States.

#### **§ 300.3 Guidance for defining and naming the reporting entity.**

(a) A reporting entity must be composed of one or more businesses, public or private institutions or organizations, households, or other entities having operations that annually release emissions, at least in part, in the United States. Entities may be defined by, as appropriate, a certificate of incorporation, corporate charter, corporate filings, tax identification number, or other legal basis of identification recognized under any Federal, State or local law or regulation. If a reporting entity is composed of more than one entity, all of the entities included must be responsible to the same management hierarchy and all entities that have the same management hierarchy must be included in the reporting entity.

(b) All reporting entities are strongly encouraged to define themselves at the highest level of aggregation. To achieve this objective, DOE suggests the use of a corporate-level definition of the entity, based on filings with the Securities and Exchange Commission or institutional charters. While reporting at the highest level of aggregation is encouraged, DOE recognizes that certain businesses and institutions may conclude that reporting at some lower level is desirable. Federal agencies are encouraged to report at the agency or departmental level, but distinct organizational units (such as a Department of the Interior Fish and Wildlife Service National Wildlife Refuge) may report directly if authorized by their department or agency. Once an entity has determined the level of corporate or institutional management at which it will report (e.g., the holding